



Department of
Workforce Services

Unemployment Insurance Employer Contributions & Benefits Training

Updated November 2015



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Purpose of Unemployment Compensation Fund

Employers contribute to the Utah Unemployment Compensation Fund to pay benefits to workers who become unemployed through no fault of their own. The contribution rate formulas are designed to build up the fund during a strong economy to pay increases in benefits when the economy slows.



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Utah New Hire Reporting Requirements

- ◎ Must Report within 20 Days of 1st day worked or within 60 days of a rehire:
 - Employee SSN
 - Employee Name
 - Employee Address
 - Date of Hire
 - Employer FEIN
 - Employer Name
 - Employer Address
- ◎ Optional information:
 - Employee Date of birth





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Types of Employers

- ◎ A Contributory employer pays a quarterly unemployment insurance contribution (tax).
- ◎ A Reimbursable employer does not pay a quarterly contribution to the Trust Fund.
 - ◎ Only governmental or non-profit 501(c)(3) entities can opt to be reimbursable



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Types of Employers

- continued -

- ◎ A Successor employer is one that acquires an existing business and meets the required conditions prescribed by rule.
- ◎ The Predecessor is the employing unit which last operated the business and no longer is an employer in Utah.



Types of Employers

Merger (Inheritance Transfer)

- ◎ In a Merger (Inheritance Transfer) an existing business acquires another existing business.
- ◎ The acquired company's unemployment insurance account is closed, and the history of its taxable wages and benefit costs are transferred to the surviving company's unemployment insurance account.
- ◎ The combined history of both the acquired company and the surviving company are used to calculate the contribution rate



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Types of Employers

Reimbursable Employers

- ◎ Reimbursable employers are never eligible for relief of charges. However, wages may be excluded from the claim in certain situations
- ◎ Reimbursable employers do not pay a quarterly contribution to the Trust Fund on taxable wages
- ◎ A Reimbursable employer's liability is limited to the amount of benefits paid to the claimant
- ◎ Note: Reimbursable employers may be required to pay interest, penalty and collection costs on past due amounts



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Who Is Subject To The Employment Security Act?

- ⦿ Employed one or more individuals for some portion of a day during a calendar year
- ⦿ Acquired your business from an employer subject to the Act
- ⦿ All non-profits without 501(c)(3) classification are subject if employ one or more individuals for some portion of a day during a calendar year
- ⦿ Agriculture – ten (10) or more employees in 20 weeks OR \$20,000 in a qtr.
- ⦿ Wage of \$1,000 or more in calendar qtr. for domestic employee
- ⦿ Corporation and pay remuneration to corporate officers
- ⦿ Employer subject to FUTA

Exemptions From Coverage

Sole Proprietor/Partner

- ◎ Services performed by an individual owner (proprietor) and his/her:
 - Spouse
 - Parent(s)
 - Minor child or children (under age 21)
- ◎ Services performed by a general partner:
 - A worker who bears an exempt relationship to all partners (a minor child in a husband and wife partnership, for example), would also be exempt
- ◎ This applies to partnership entities **not** to LLC's



- ◎ Services performed by a member of Limited Liability Company (LLC), who are filing with the IRS as a sole proprietorship or a partnership
 - If filing an 1120S Federal Corporate return
 - All member's wages are subject to UI coverage and contributions
 - There is no family exemption for an LLC





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Exemptions From Coverage Independent Contractors

- ◎ Services performed by an individual are considered to be employment subject to UI unless the following elements are clearly demonstrated:
 - Customarily engaged in an independently established trade occupation, profession, or business of the same nature as that involved in the contract of hire for services; and
 - The individual has been and will continue to be free from control or direction over the means of performance of those services, both under the individuals' contract of hire and in fact.



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Exemptions From Coverage Salesperson

- ◎ Salespersons:
 - Who do not work on the employer's premises
 - Are free from the employer's control and direction
 - Are paid solely by way of commission





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What Are Considered Wages?



Wages as defined by section 3306(b), internal revenue code of 1986.



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2015 FUTA Credits

- ◎ Annual Federal Unemployment Tax (FUTA, Form 940) return is due January 31st for the prior calendar year.
 - If your state unemployment insurance is paid by January 31st, then you can receive up to a 90% credit against your FUTA tax
 - $\text{FUTA rate} - \text{Credit} = \text{Final FUTA rate}$
 - Example:
6% FUTA tax – 5.4% credit for timely payment of state unemployment insurance = .6% final FUTA tax



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Unemployment Insurance Tax Rate Notice

- ◎ Rate notices will be mailed out in late December for the following calendar year
- ◎ Employers have the right to appeal their rate determination within 30 days of notification





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New Employer Industry Rate

- ◎ For 2015 The new Employer Contribution rate is based on a 2 year industry average
 - Industry Rate – ranges between 1.3% and 7.3%
 - Per Statute construction contractors who have operated in another state before coming to Utah will receive the maximum rate of 7.3%





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Calculating Experience Tax Rates



- ◎ New employers are assigned a rate based upon average rates of all employers in their respective industries
- ◎ An “earned” rate is based upon payroll and is assigned January 1 of the year following the first full fiscal year (July 1 – June 30)



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Formula for Calculating Experience Tax Rates

- ◎ Benefit Costs: Unemployment benefits paid to former employees that are charged to the employers account
- ◎ Taxable Wages: The taxable portion of each employees wages (up to \$32,200 for 2016).
 - Total wages are reported, but the amount in excess of the taxable wage base is not taxed
- ◎ The Benefit Ratio: (Benefit Costs/Taxable wages) is calculated on the last 4 fiscal years.
 - A fiscal year is July 1 through June 30





Formula for Calculating Experience Tax Rates -continued-

- ◎ Reserve Factor: The Reserve factor is a multiplier (factor), which is adjusted up or down on an annual basis depending on the overall health of the UI Trust Fund balance
- ◎ Social Costs: The Social Costs are those Benefit Costs that cannot be charged back to specific employers and are added to the UI tax rate for all employers
- ◎ Surcharge: A 1% surcharge is added to the overall rate if the employer owes contribution for the prior fiscal year



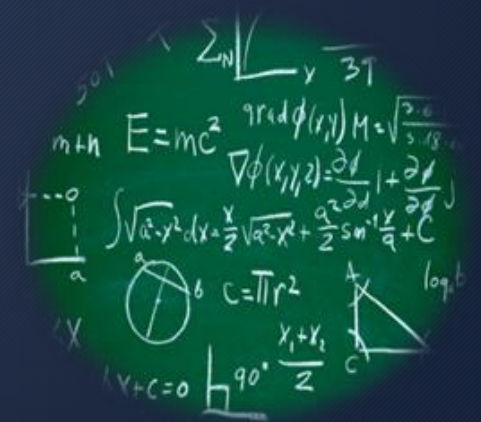
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Example Formulas

Benefit Costs	X	Reserve Factor	+	Social Tax	=	Overall Contribution Rate
Total Taxable Wages						

\$1,550	X	.031	+	.003	=	.034
\$50,000						

Quarterly taxable wage \$4,550 x 0.034 =
\$154.70 (quarterly tax)





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Due Dates and Filing Methods

- Due Dates to report quarterly wages and pay quarterly taxes:

- April 30
- July 31
- October 31
- January 31

- Filing Methods:

- Web Filing (preferred method of filing)

<https://jobs.utah.gov/ui/employer/login.aspx>

- Paper Form 33H

Annual Quick Reference Wage Table

Quarter	Paid From	Report Due By
1 st quarter wages	January through March	April 30 th
2 nd quarter wages	April through June	July 31 st
3 rd quarter wages	July through September	October 31 st
4 th quarter wages	October through December	January 31 st



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Online Filing of Quarterly Report

Online filing is the
easiest (and preferred)
method for filing
quarterly reports

Unemployment Insurance and New Hire Reporting Hello, Michelle Beebe ▾

[Home](#) [Tax ▾](#) [Payments ▾](#) [New Hire ▾](#) [Claims ▾](#) [Registration ▾](#) [Correspondence ▾](#) [Admin ▾](#) [Info ▾](#) [Live Chat](#)

System Message ×

- The latest Employer Advisor is available and includes info on electronic filing, work refusals, and garnishments. Please [click here](#) to read.
- For instructions on filing your quarterly report online, please [click here](#). For a schedule of in-person workshops around the state, please [click here](#).

Tax Reporting ▾

Oct 31 Current Filing Qtr: 2014 Q3
Due: October 31, 2014

Other Options

- View or amend past reports
- Get employer account PIN
- View tax forms
- View all tax reporting options

File Tax Report ▾

Payments ▾

Make a Payment Now >

Other Options

- View/edit EFT payments
- View all payment options

New Hire Reporting ▾

File a New Hire Report Now ▾

Other Options

- View past new hire reports
- View all new hire options

File New Hire Report ▾

Correspondence ▾

View Correspondence Now >

Other Options

- View all correspondence options

Business Registration ▾

Create a New UI Account For a Business >

Other Options

- Add an existing business to my user account

Claims ▾

File a Form 606 Now >

File a Wage Audit (613) Now >

Other Options

- View history of 606 responses
- View history of 613 responses
- View all claims options

Account Admin ▾

Most Popular Admin Options

- View account profile
- Display benefit costs
- Rate notice (Form 45)
- Update address information
- File an appeal
- Information for appeals
- Print IRS form 940C
- Close or reopen an account

Other Options

- View all account admin options



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Unemployment Insurance Eligibility

- ◎ Two determinations of Eligibility:
 - ◎ Monetary Determination
 - ◎ Non-Monetary Determinations





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How is a UI Claim Filed?

- ◎ Use the website at jobs.utah.gov (preferred)

- ◎ Call the UI Claims Center at:
 - Salt Lake/South Davis
(801) 526-4400
 - Weber/North Davis
(801) 612-0877
 - Utah County
(801) 375-4067
 - Remainder of State or out of state
(888) 848-0688





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Eligibility for UI Benefits

Weekly Benefit Amount (WBA)



- ◎ Maximum WBA for 2016 = \$509
- ◎ Minimum WBA = \$27
- ◎ Maximum duration = 26 weeks
- ◎ Minimum duration = 10 weeks
- ◎ Claimants certify eligibility every week



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Eligibility for UI Benefits

Non-Monetary Determinations

- ⦿ Able and Available to work
- ⦿ Separations:
 - Reduction in force
 - Voluntary Quit
 - Discharge
- ⦿ Suitable Work
- ⦿ Separation Payments





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Eligibility for UI Benefits Able to Work

- ⦿ Must be physically and mentally able to perform work in normal occupation
- ⦿ Must be readily available to accept and start a full time job

Laserfiche Laserfiche Investigators Job Application

Your Info Work Experience Education Supplemental

Your Info

Name

Phone

Address

Street Address

Address Line 2

City State

Postal / Zip Code

Email

Special Skills

Next: Work Experience



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Eligibility for UI Benefits Available for and Seeking Work

- ◎ Claimants are required to make an active work search of at least four (4) NEW contacts each week
- ◎ Exceptions may be granted to the work search requirement for:
 - Attached Union Members
 - Job Attached (will begin employment within 3 weeks)
 - Special circumstances for school/ training attendance related to department approved training programs



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Eligibility for UI Benefits

Voluntary Quit

- ⦿ Voluntary quit is if the employee was the moving party in ending the employment relationship
- ⦿ Employee (claimant) has the burden of meeting one of two different standards:
 - ⦿ Good Cause
 - ⦿ Equity and Good Conscience





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Eligibility for UI Benefits Discharge



- ◎ A Separation is considered discharge when:
 - The employer is the moving party causing the separation
 - Employers have the burden of proving the following elements
 - Culpability
 - Knowledge
 - Control



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Eligibility for UI Benefits Discharge for a Crime

In Utah, being discharged for crime will result in a mandatory 52 week disqualification for the claimant and removal of the impacted employers' wages from the monetary calculation of Unemployment Benefits.





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Eligibility for UI Benefits Suitable Work

- ◎ Things to consider regarding suitable work:
 - Wages
 - Location of work
 - Prior experience and skill
 - Working conditions, including hours of work





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Eligibility for UI Benefits Part-Time Employees

- ◎ Claimants who continue to work part-time may be entitled to Unemployment Insurance benefits
- ◎ Wages earned must be reported every week
- ◎ The employer may be relieved of charges if the employee's hours have not been reduced
- ◎ Employers are not eligible for relief of charges for employees working "on call"





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Separation Payments

- Types of separation pay
 - Vacation
 - Severance
 - Payments for remaining on the job

DOWNSizing

Earnings Information	Current	Year to Date
Net Gross	4,389.38	
Deductions	0.00	
Net Pay	0.00	
EARNINGS TOTAL	4,389.38	5,277.38
Taxable Gross	351.14	418.18
Net Gross	3,971.12	4,859.20

Statutory & Other Deductions	Current	Year to Date
General Withholding	311.17	311.17
Additional Federal Withholding	0.00	0.00
Additional State Withholding	135.96	135.96
Additional State Withholding	0.00	0.00
Other	0.00	0.00
Health Insurance	62.67	75.55
Life Insurance	0.00	0.00
Long Term Disability Insurance	0.00	0.00
Net Pay	351.14	418.18



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Non-Compliance

- ◎ Report claimant's non-compliance. Sometimes referred to as "fraud"
 - **Online: jobs.utah.gov select "Report Fraud"**
 - Employer line: **801-526-4400** or **888-848-0688**, option 4
 - Fax the information to **801-526-9800** or **801-526-4402**
 - Include as much information as possible about the claimant and the potential activity that would be disqualifying



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Non Compliance or Fraud Examples:

- ⦿ Failure to report work or earnings
- ⦿ Identity theft
- ⦿ Inability to work
- ⦿ Failure to look for or apply for work
- ⦿ Refusing a job offer
- ⦿ Working “under the table”
- ⦿ Failure to report a separation
- ⦿ Self employment/Contract work



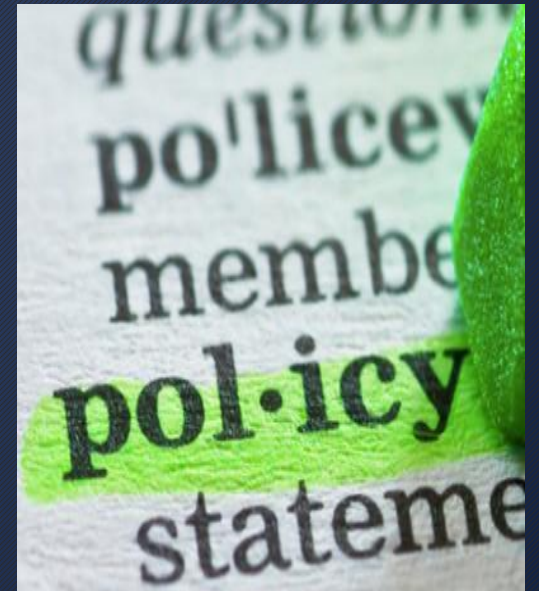


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Recommendations for Controlling Costs

Steps to Take Prior to Separation

- ◎ Hire Right! (check references)
- ◎ Give employee job description and outline expectations
- ◎ Develop clear statements of policy
- ◎ Monitor employee performance
- ◎ Discuss issues/concerns when they occur
- ◎ Keep accurate notes
- ◎ Be consistent in disciplinary actions





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Recommendations for Controlling Costs

Helpful hints for Discharge

- ⦿ Employee resigns, rescinds and employer refuses
- ⦿ Employee quits in lieu of discharge
- ⦿ Employer waits to discharge
- ⦿ Employer has ROF and poor performers go first
- ⦿ When firing, don't "beat around the bush"





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Recommendations for Controlling Costs

Disagree with a Decision?

File an Appeal

- ⦿ File timely appeal
- ⦿ Call in advance of hearing
- ⦿ Invite persons with first hand knowledge to participate
- ⦿ Provide documents to all parties in advance
- ⦿ There will be only one hearing
- ⦿ Role of the ALJ





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Recommendations for Controlling Costs Requests for Information

It is critical that employers respond to all requests for information as quickly as possible





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Employer Web Page 1

The screenshot shows the Utah Department of Workforce Services Employer Web Page. The browser address bar displays www.jobs.utah.gov/employer/index.html. The page header includes navigation links for Job Seekers, Employers, Temporary Assistance, Labor Market, and Department, along with a search bar and a 'Sign in' link. A prominent green button reads 'Post a Job Today'. Below this, a section titled 'Federal Contractors and Subcontractors' is visible. The main content area is divided into three columns: 'Unemployment Insurance' with links for filing reports, making payments, reporting new hires, and registering a new business; 'Economic Data' with links for monthly employment, wage data, county information, and a local insights newsletter, accompanied by the 'UEDV UTAH ECONOMIC DATA VIEWER' logo and a 'Browse Data' link; and 'Business Development' with links for employer recruitment support, incentives, hiring veterans, employee skill development, and a Golden Key Award. A 'Find Solutions' link is also present. The footer contains a 'Find a DWS Location' search bar, a 'Translate this Page' button, social media links for Blog, YouTube, Twitter, and Facebook, and a copyright notice for 2015 State of Utah.

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Job Seekers Employers Temporary Assistance Labor Market Department

Search all jobs.utah.gov

Post a Job Today

Federal Contractors and Subcontractors

Unemployment Insurance

- File UI Contribution Reports (Form 33H)
- Make a Quarterly Payment
- Report New Hires
- Register a New Business

Economic Data

- Monthly Employment Situation
- Occupational Wage Data
- County Information
- Local Insights Newsletter

UEDV UTAH ECONOMIC DATA VIEWER

The Utah Economic Data Viewer gives you access to several databases.

Browse Data

Business Development

- Employer Recruitment Support
- Incentives and Tax Credits
- Hiring Our Veterans
- Employee Skill Development
- Golden Key Award

Find Solutions

Find a DWS Location

zip Find

Translate this Page

Select Your Language

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Employer Web Page 2

Utah.gov Services Agencies

Search Jobs Job Seekers Employers Temporary Assistance Labor Market Department Sign in

Unemployment Insurance and New Hire Reporting

Hello. Click here to sign in.

Home Tax Payments New Hire Claims Registration Correspondence Admin Info Live Chat

System Message

- For instructions on filing your quarterly report online, please [click here](#).
- The latest Employer Advisor is available and includes information on online filing, new EFT features, and Unemployment Insurance fraud. Please [click here](#) to read it.

Tax Reporting

Jan 31 Current Filing Qtr: 2014 Q4
Due: **January 31, 2015**

Other Options

- View or amend past reports
- Get employer account PIN
- View tax forms
- View all tax reporting options

[File Tax Report](#)

New Hire Reporting

[File a New Hire Report](#)

Other Options

- View past new hire reports
- View all new hire options

[File New Hire Report](#)

Claims

[File a Form 606 \(eResponse\)](#)

[File a Wage Audit \(613\)](#)

Other Options

- View history of 613 responses
- View all claims options

Payments

[Make a Payment](#)

Other Options

- View/edit EFT payments
- Make a payment without signing in
- View all payment options

Correspondence

[View Correspondence](#)

Other Options

- View all correspondence options

Business Registration

[Create a New UI Account For a Business](#)

Other Options

- Add an existing business to my user account
- View all business registration options

Account Admin

Most Popular Admin Options

- View account profile
- Display benefit costs
- Rate notice (Form 45)
- Update address information
- File an appeal
- Information for appeals
- Print IRS form 940C
- Close or reopen an account

Other Options

- View all account admin options

jobs.utah.gov/ui/employer/employerhome.aspx | Contact Us | Utah.gov Home | Terms of Use | Privacy Policy | Accessibility Policy



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Contact Information

◎ UI Benefits

- Claim Filing

<http://www.jobs.utah.gov/ui>

- Separation Requests

- Report Fraud

801-526-4400 or

888-848-0688, opt. 4

<http://jobs.utah.gov/ui/Fraud/uifraud>

◎ UI Contributions

- Quarterly Tax Filing

<https://jobs.utah.gov/ui/employer/employerhome.aspx>
[obs.utah.gov](https://jobs.utah.gov/obs.utah.gov)

- Tax Rates

- Subject Wages

- New Hire Reporting:

801-526-9235